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8
9 Attorneys for Plaintiffs

10 **UNITED STATES DISTRICT COURT**
11 **SOUTHERN DISTRICT OF CALIFORNIA**

12 JAN BRANDRUP, an individual,
13 NICKLAS BRANDRUP, an individual,
14 HYPERIKON, INC., a California
15 Corporation,

16 Plaintiffs

17 vs.

18 ALVIN GOMEZ, an individual,
19 FERNANDO TRUJILLO
20 GRUMBIONIN a/k/a GRUMBIANIN
21 a/k/a GRUMBIANINI, an individual,
22 ROBERT KENYON, an individual,
23 PLATINUM LED US, INC., a California
24 Corporation, and DOES 1-10 inclusive,

25 Defendants

Case No. '13CV2254 BTM BGS

COMPLAINT

DEMAND FOR JURY TRIAL

1 Plaintiffs JAN BRANDRUP, NICKLAS BRANDRUP, and HYPERIKON,
2 INC., by and through their attorneys, THE FROST FIRM, complaining of the above-
3 named Defendants (collectively referred to as “Defendants”), as and for their
4 Complaint allege, upon information and belief except as otherwise particularly stated,
5 as follows:

6 JURISDICTION AND VENUE

7 1. This Court has subject matter jurisdiction over these claims for
8 violations of the Securities and Exchange Act of 1934, 15 U.S.C. § 78j(b) and 17
9 C.F.R. § 240.10b-5, and violations of the Securities and Exchange Act of 1933, 15
10 U.S.C. § 77a, and Regulation D, 17 C.F.R. § 230.500, which raise federal questions
11 pursuant to 28 U.S.C. § 1331. This Court may exercise ancillary and pendent
12 jurisdiction over the related state law claims pursuant to 28 U.S.C. § 1367.

13 2. This Court has personal jurisdiction over each of the Defendants because
14 at all times relevant to this Complaint they conducted systematic and continuous
15 business in California in this District and maintained principal places of business in
16 this District. The individual Defendants also have purchased and maintained real and
17 personal property in this District. Moreover, this Court has personal jurisdiction over
18 all Defendants pursuant to 15 USC § 78aa because all Defendants inhabit,
19 permanently reside in, and may be found in California in this District, and the acts
20 and transactions constituting the alleged violations of the Securities and Exchange
21 Acts of 1934 and 1933 occurred in California in this District.

22 3. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b), as
23 Defendants are conducting substantial business activities within this District; all
24 Defendants reside and are domiciled in this District; a substantial part of the events
25 and omissions giving rise to the claims herein occurred in this District; and all
26 Defendants are subject to the Court's personal jurisdiction.

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THE PARTIES

4. Plaintiff Jan Brandrup (“Jan”) is a citizen of Denmark and at all times relevant to this action has resided in Rancho Santa Fe, California, and has actively conducted business in this District pursuant to a L-1 visa. L-1 visas are non-immigrant visas available to employees of international companies conducting business in both the United States and abroad. Jan is the principal and sole shareholder of Brandrup AS, a Danish Corporation with its headquarters in Aalborg, Denmark. Jan and Brandrup AS conduct business in this District through Brandrup AS’s wholly owned subsidiary, Plaintiff Hyperikon, Inc., a California Corporation. Jan’s L-1 visa provides for non-immigrant residence in the United States pursuant to his companies’ U.S. business activities until November 2014, with an option to extend his residence for an additional 3 years thereafter.

5. Plaintiff Nicklas Brandrup (“Nicklas”), Jan’s son, also is a citizen of Denmark. At all times relevant to this action, Nicklas has permanently resided in Copenhagen, Denmark. For substantially the entire period of time between approximately March 15, 2013, and the date of this Complaint, Nicklas temporarily has been visiting this District pursuant to a tourist visa that expires on October 12, 2013. Nicklas recently was approved to receive an Exchange Visitor Visa or “J-1 visa” which will enable him to remain in the United States for as long as 12 additional months for the purpose of gaining practical work experience in the United States with a “sponsor” company. Nicklas’s proposed sponsor company is Hyperikon, Inc.

6. Plaintiff Hyperikon, Inc. (“Hyperikon”), is and was at all times relevant to this action a corporation organized under the laws of the State of California with its principal place of business located at 3444 Tripp Court, Suite C, San Diego, California and is and was at all times relevant to this action authorized to conduct,

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1 and was in fact conducting, business in California. Hyperikon is wholly owned by
2 Brandrup AS, a Danish Corporation. Jan owns 100% of the issued and outstanding
3 stock of Brandrup AS, and thereby indirectly owns and controls Hyperikon. Jan also
4 acts as President and Chief Executive Officer of Hyperikon. Hyperikon is in the
5 business of designing, supplying and installing high technology lighting equipment,
6 consisting almost entirely of “Light Emitting Diode” or “LED” equipment, for
7 consumers in the US, Denmark, India, Russia, Turkey and other countries worldwide.

8 7. Defendant Fernando Trujillo Grumbionin a/k/a “Grumbianin” a/k/a
9 “Grumbianini” (for purposes of this Complaint he shall be referred to as “Trujillo”) is
10 a Mexican National permanently residing in California in Chula Vista, California.
11 Plaintiff is informed and believes Trujillo’s true last name is Grumbionin but he uses
12 various aliases to avoid potential creditors. More specifically, Trujillo was a
13 defendant in a recent San Diego Superior Court action that resulted in a substantial
14 judgment against him individually. The docket sheet from this prior State Court
15 action indicates Trujillo originally was named as a defendant under the assumed
16 name “Grumbianini,” but after judgment was entered the plaintiffs discovered his true
17 last name is “Grumbionin” and they modified the judgment accordingly. At all
18 relevant times in this Federal Court action, Trujillo represented to Plaintiffs that his
19 last name was “Grumbianin,” a representation that, based upon the docket sheet in his
20 prior State Court action, appears to have been false. Upon information and belief,
21 Trujillo was and is the controlling, beneficial owner of approximately 50% of the
22 issued and outstanding shares of Defendant Platinum LED US, Inc., a California
23 Corporation. At all times relevant to this action, Trujillo acted and held himself out
24 as an officer of Defendant Platinum LED US, Inc., with the titles of Vice President
25 and Commercial Sales Manager.

26 8. Defendant Alvin Gomez (“Gomez”) is an individual residing in Del Mar,
27 California. Gomez is a member of the California State Bar and actively practices law
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1 in this State in this District as Gomez Law Group, P.C., with offices located at 853
2 Camino Del Mar, Suite 100, Del Mar, California. At all times relevant to this action,
3 Gomez owned and controlled the other 50% of the issued and outstanding shares of
4 Defendant Platinum LED US, Inc., and he acted and continues to act as President,
5 Treasurer, Secretary, Chairman of the Board of Directors, and counsel for Defendant
6 Platinum LED US, Inc.

7 9. Defendant Robert Kenyon is an individual residing in San Diego
8 County, California. Mr. Kenyon is and at all times relevant to this action was the
9 employee and Chief Operating Officer of Hyperikon. Mr. Kenyon was not involved
10 in any of the wrongful conduct alleged against the other Defendants named herein.
11 Rather, as alleged in greater detail below, in reliance on the fraudulent
12 misrepresentations and other wrongful conduct of Defendants Trujillo and Gomez,
13 Hyperikon was induced to loan Mr. Kenyon approximately \$100,000 for the sole and
14 express purpose of enabling Mr. Kenyon to purchase shares of Platinum LED US,
15 Inc., stock in connection with the Defendants' fraudulent, unregistered, non-exempt
16 offering of these securities (the "Kenyon Loan"). Mr. Kenyon is named as a
17 Defendant in this action for the sole purpose of adjudicating Plaintiffs' right to
18 recover the \$100,000 in Kenyon Loan funds Mr. Kenyon invested in connection with
19 the fraudulent, unregistered, non-exempt securities offering at issue in this action.
20 Otherwise, if, as, and when necessary and proper, Plaintiffs may seek to amend this
21 Complaint to name Mr. Kenyon a voluntary or involuntary Plaintiff for the foregoing
22 purposes.

23 10. Defendant Platinum LED US, Inc. ("Platinum"), is a California
24 Corporation with its principal places of business located at 2658 Del Mar Heights
25 Road #215, Del Mar, California, and also at the office of Gomez Law Group in Del
26 Mar, California. At all times relevant to this action, Defendants Trujillo, Gomez and
27 Platinum (hereinafter collectively referred to as the "Platinum Defendants") publicly
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1 represented that Platinum maintained “brick and mortar” offices located in Del Mar at
2 2658 Del Mar Heights Road #215, Del Mar, California. On the contrary, however,
3 Platinum’s “brick and mortar” office location is not, in fact, an office suite, but rather
4 a “mailbox” assigned the number “215” maintained by and within a Postal Annex
5 store in the Vons Shopping Center on Del Mar Heights Road. Platinum also has
6 publicly represented during the relevant time period that it maintained offices at the
7 same address as Gomez Law Group’s office.

8 11. Defendant Platinum was formed and organized under the laws of the
9 State of California in September 5, 2012 and, at all relevant times, is and has been
10 principally owned and controlled by Trujillo and Gomez. At all times relevant to this
11 action, Platinum held itself out as the primary worldwide distributor of LED lighting
12 for commercial and residential purposes manufactured under the brand name
13 “Energetic Lighting.” Energetic Lighting is the trade name and fictitious business
14 name of a California Corporation, Yankon Industries, Inc. dba Energetic Lighting
15 (“Energetic”). Upon information and belief, Energetic is a division of Zhejiang
16 Yankon Group Co., Ltd., a Chinese Corporation whose stock is publicly traded on the
17 Shanghai stock exchange. Energetic’s principal place of business is located at 13445
18 12th Street, Chino, California.

19 12. Plaintiffs are informed and believe, and allege thereon, that each of the
20 Platinum Defendants were at all times relevant hereto controlling persons, agents,
21 and/or alter egos of the other Platinum Defendants, and in doing the acts as herein
22 alleged, were acting within the course and scope of his or its authority as such with
23 the expressed and implied permission, instruction, knowledge, consent, and
24 ratification of the other Platinum Defendants. Each of these Platinum Defendants did
25 influence and govern the other Platinum Defendants with such a degree of unity of
26 interest and ownership so that the individuality, and/or separateness, of each of the
27 Platinum Defendants have ceased to exist.

SUMMARY OF THE CASE

15. In connection with the Offering, Trujillo and Gomez represented that Platinum had a total equity value of \$30,000,000.00, or \$60 per share. Trujillo and Gomez claimed they could “sweeten” the deal, however, and invited Plaintiffs to participate in the Offering in accordance with the following very general terms: (1) in exchange for payments of approximately \$1.4 million in up-front cash and other

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1 consideration, Defendants would sell Plaintiffs an initial tranche of 40,332 shares (or
2 \$34.71 per share), to be allocated 26,200 shares to Jan, and 7,066 shares each to
3 Nicklas and Mr. Kenyon; and (2) in exchange for future payments of \$4,780,080.00
4 in cash (which could be paid at any time before March 31, 2014 for Jan's shares and
5 anytime before March 31, 2015 for Nicklas's and Kenyon's shares), Plaintiffs and
6 Kenyon could purchase the 79,668 balance of the total 120,000 shares offered in the
7 Offering (or \$60 per share) to be allocated 43,800 additional shares to Jan, and
8 17,934 additional shares *each* to Nicklas and Kenyon.

9 16. The Offerees Nicklas and Kenyon are not accredited investors as that
10 term is defined in Regulation D of the Securities and Exchange Act of 1934 and the
11 Code of Federal Regulations promulgated thereunder. All Offerees, including
12 Plaintiffs Jan and Nicklas and Defendant Kenyon, are unsophisticated and lack the
13 knowledge and experience in financial and business matters necessary to adequately
14 evaluate the merits and risks of the prospective investments in Platinum that were the
15 subject of the Offering. Moreover, Plaintiffs Jan and Nicklas have a limited
16 understanding of the English language, and utterly lack any experience with or
17 reasonable understanding of U.S. business laws, customs and practices, and therefore
18 these Plaintiffs were particularly susceptible to the Defendants' fraudulent business
19 practices and other wrongful misconduct which occurred, as alleged in further detail
20 below, in connection with Defendants' unregistered, non-exempt Offering.

21 **FACTUAL ALLEGATIONS**

22 ***The Platinum Defendants Offered And Sold Securities To Unaccredited Investors*** 23 ***Who Lacked Sophistication In Financial And Business Matters***

24 17. Jan attended Fredericia Technical Institute and received a M.A. in
25 mechanical and electrical engineering in 1982. From approximately 1982 to 1989,
26 Jan worked for several engineering firms performing energy enhancement work for
27 clients in Denmark and Greenland. From approximately 1990 to 2010, Jan formed
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1 and actively operated a Danish computer technology company called Epoka which
2 focused on purchasing and selling used computers and computer components.
3 During his time with Epoka, Jan promoted the company's expansion into Russia,
4 India, Turkey and other countries. In December 2010, Jan founded CO2light, a
5 Danish company involved in designing, supplying and installing low energy "Light
6 Emitting Diode" or "LED" business solutions for commercial and residential
7 customers.

8 18. Approximately one year later, in 2011, Jan moved to the United States
9 where he formed Hyperikon to resume his LED business activities. Jan's primary
10 objective with Hyperikon was to utilize his existing international contacts, especially
11 his contacts in Denmark, Russia, India, and Turkey to expand his growing LED
12 business globally. Hyperikon, like CO2light, focused almost exclusively on
13 designing, supplying and installing LED equipment for its customers. Since
14 relocating to the United States with his wife, daughter and youngest son in 2011, and
15 forming Hyperikon, Jan actively has been seeking a Green Card to establish
16 permanent residence in the United States. Otherwise, Jan's current L-1 visa provides
17 for non-immigrant residence in the United States until, at the latest, November 2017.

18 19. Jan worked for years in Denmark as an engineer, and also formed and
19 operated his own used computer equipment sales company and a lighting equipment
20 sales company. He has absolutely no financial sophistication in matters relating to
21 private U.S. domestic stock offerings. He has only a rudimentary understanding of
22 the English language, sufficient to conduct business abroad in places like Russia,
23 India, Turkey and Germany, but he speaks, reads, and writes English with extremely
24 limited proficiency. Jan has no prior experience whatsoever evaluating the risks of
25 securities investments in the United States. Because Jan lacked financial
26 sophistication in matters of United States securities investments, as described above,
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1 he lacked a reasonable understanding of the Platinum Offering documents at issue in
2 this case.

3 20. In 2012, Jan's eldest son Nicklas graduated from Copenhagen Business
4 School where he studied international business and economics. More specifically,
5 Nicklas focused his studies on European supply chain management and
6 organizational behavior. In or around late 2012, Nicklas left Denmark to visit his
7 father in the United States. Nicklas also hoped to eventually obtain the necessary
8 visas and a position of employment in the United States so he could be closer to his
9 parents. Nicklas is 22 years old and has no prior practical experience whatsoever
10 evaluating the risks of a securities investment, particularly a private offering of
11 securities in the United States. Nor were United States securities investments a topic
12 of any of his undergraduate studies at the Copenhagen Business School, which
13 focused on European macro-economic topics.

14 21. Moreover, while Nicklas's proficiency in English is slightly better than
15 his father's, he also has only a rudimentary understanding of the English language as
16 used in business affairs. Like his father, he speaks with a heavy Danish accent and is
17 far from fluent as an English speaker, reader and writer. Because Nicklas lacked
18 financial sophistication in matters of United States securities investments, as
19 described above, he lacked a reasonable understanding of the Platinum Offering
20 documents at issue in this case.

21 22. Kenyon served in the military during the Vietnam conflict. When he
22 returned from military service, he attended and graduated from the University of
23 Arizona College of Law. Upon information and belief, Kenyon only briefly practiced
24 law, working as an Assistant District Attorney in San Diego during the 1970s. Since
25 that time period, however, Kenyon generally has remained an inactive member of the
26 Bar and has not practiced law for a living. For the majority of Kenyon's career, from
27 approximately 1985 to 2007, Kenyon operated a travel agency. Then, in March 2009,
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1 Kenyon obtained a real estate broker's license issued by the California Department of
2 Real Estate. Upon information and belief, Kenyon was unable to broker any real
3 estate transactions from 2009 until 2011. Jan met Kenyon in 2011 when Jan was
4 seeking to purchase a home in San Diego in connection with his move to the United
5 States from Denmark. Jan hired Kenyon as his real estate broker and Kenyon
6 brokered Jan's purchase and sale of his home in Rancho Santa Fe, Kenyon's first and
7 only real estate brokerage transaction.

8 23. In or around May 2011, after discussing Kenyon's struggles in the real
9 estate industry, Jan proposed that Kenyon work for Jan's new company, Hyperikon,
10 and Kenyon accepted a position as Hyperikon's Chief Operating Officer ("COO").
11 At all times relevant to this Complaint, Hyperikon employed Kenyon as its COO. Jan
12 trained Kenyon in the LED lighting business and Kenyon now installs various
13 lighting projects unsupervised. Jan, however, as the CEO of the company,
14 exclusively meets with customers, evaluates and makes recommendations regarding
15 customers' prospective lighting needs, prepares formal design proposals and budgets
16 and supervises Hyperikon's various LED lighting installation projects.

17 24. Kenyon practiced criminal law on a junior level for a short period 40
18 years ago, he operated a travel agency for most of his career, and he worked as a real
19 estate broker for approximately 3 years in which he did not actually sell any real
20 estate. Kenyon has had no practical experience whatsoever with private offerings or
21 any other related business matters requiring financial sophistication. Because
22 Kenyon lacked financial sophistication, as described above, he lacked a reasonable
23 understanding of the Platinum Offering documents at issue in this case.

24 ***The Platinum Defendants Make Fraudulent Statements In Connection With The***
25 ***Offering And Sale Of Platinum Securities To Plaintiffs***

26 25. On or about March 24, 2013, during a discussion with an acquaintance at
27 their young sons' soccer game, the acquaintance mentioned to Jan that he knew
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1 someone who owned 12 hotels in the San Diego area. He offered to introduce the
2 hotel owner to Jan and Hyperikon to discuss the hotels' prospective LED lighting
3 needs, if any. The next day, however, Jan learned the hotel owner already had
4 recently purchased LED lighting for his 12 hotels in the San Diego area from
5 Energetic, a Chinese firm based in Chino California.

6 26. Jan obtained the contact information for Energetic to generally inquire
7 about the company and perhaps discuss a prospective distributorship relationship.
8 Jan knew very little about Energetic but he believed Energetic recently entered into
9 contracts to service 12 hotels in the San Diego area, which Jan considered an
10 impressive deal. On March 25, 2013, Jan called Energetic's office number and
11 Defendant Trujillo answered and introduced himself as the Commercial Sales
12 Manager of "Energetic Lighting." Jan inquired about the company generally and the
13 possibility of distributing its LED products. Trujillo stated, "We are the largest LED
14 lighting manufacturer in the world. We sell several billion dollars' worth of
15 commercial and residential LED lighting equipment annually." Trujillo then invited
16 Jan to attend a meeting at his offices in Del Mar that same day to further discuss
17 prospective distributorship arrangements. Jan expressed surprise that Trujillo was not
18 working out of a large, distant warehouse, and Trujillo explained that although he
19 maintained a very large warehousing facility in Chino, California, he also maintained
20 offices in Del Mar very close to Hyperikon's offices in Sorrento Valley.

21 27. Shortly after the phone call, Jan drove the short distance to the office
22 address in Del Mar provided by Trujillo to meet with Trujillo in person and further
23 discuss a prospective distributorship arrangement with Energetic. When Jan arrived
24 at the location, he realized Trujillo provided him the address for Gomez Law Group.
25 Jan entered Gomez Law Group's office and Gomez and Trujillo both were present for
26 the planned meeting. Gomez introduced himself as Trujillo's "business partner" and
27 "counsel," giving Jan the initial impression Gomez was acting as counsel for
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1 Energetic. At this time, Jan's understanding was that Energetic maintained its
2 headquarters in Chino, California, and Energetic's Commercial Sales Manager,
3 Trujillo, periodically held meetings at the office of Energetic's counsel for
4 convenience, since Trujillo lived in Chula Vista, California, and also to address any
5 potential legal issues that may arise in such meetings. After the attendees' initial
6 introductions, Jan displayed Hyperikon's proprietary marketing material, research
7 studies commissioned from UCLA regarding the health effects of fluorescent
8 lighting, and numerous other sales and promotional materials and templates, and he
9 explained to Trujillo and Gomez Hyperikon's business model in great detail, which
10 he stated repeatedly was focused almost exclusively on LED products and related
11 services. Jan emphasized how the expensive study he commissioned from UCLA
12 was a strong selling point for Hyperikon's LED-based business model.

13 28. After Jan's presentation, which lasted approximately one hour, the
14 parties concluded this initial March 25 meeting. Trujillo and Gomez requested that
15 Jan return the next day for another meeting.

16 29. On or about March 26, Jan returned to Gomez Law Group's office for a
17 second meeting. Gomez and Trujillo both were present. During this second meeting,
18 the Platinum Defendants merely further explored Jan's business model and technical
19 capabilities. The meeting concluded quickly and the parties arranged to meet again
20 the next day.

21 30. On or about March 27, Jan returned to Gomez Law Group's office for a
22 third meeting. Gomez and Trujillo both were present. Trujillo stated that although
23 Hyperikon was an appealing distributor, and Energetic was now manufacturing and
24 selling "billions of dollars" of LED products worldwide, a direct distribution
25 agreement between Energetic and Hyperikon was "not available" because Energetic
26 actively had been terminating and reducing its distributorship relationships to focus
27 solely on the most effective distributors. According to Trujillo, Energetic now
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1 distributed exclusively through 1000 Bulbs Unlimited and the wholly owned
2 corporation of Trujillo and Gomez called Platinum LED US, Inc. This was the very
3 first time Jan recalls hearing about the entity Platinum, and he was disappointed to
4 learn, after three separate meetings regarding a distributorship, that Hyperikon could
5 not become a direct distributor of Energetic products.

6 31. Thereafter, instead of discussing a prospective arrangement between
7 Hyperikon and Energetic, as Jan had contemplated based on his previous discussions
8 and meetings with Trujillo and Gomez, Gomez and Trujillo immediately launched
9 into a hard-sell presentation describing the many accomplishments and assets held by
10 their wholly owned company Platinum. Gomez and Trujillo initially delivered their
11 hard-sell presentation to Jan individually during the March 27 meeting, and then
12 again in a meeting with Jan and Nicklas on March 28, also held at Gomez Law
13 Group's office in Del Mar

14 32. Gomez and Trujillo both stated to Jan and Nicklas during these meetings
15 that Platinum enjoyed a lucrative long-term exclusive distributorship relationship
16 with Energetic (a/k/a Yankon Industries, Inc.) and its parent company in China,
17 Zhejiang Yankon Group, Co., a publicly traded company listed on the Shanghai stock
18 exchange. Trujillo stated, and Gomez affirmed, Platinum's exclusive distributorship
19 agreement had an initial 5-year term with two separate options to renew for 5
20 additional years per option. They claimed Energetic manufactured the lighting
21 equipment sold under the brand names Philips, Osram and Sylvania, but that the
22 equipment sold under its own brand name Energetic was the highest quality. They
23 also both represented to Jan during this meeting that as a result of the extremely
24 favorable pricing on Energetic products, which never exceeded "Energetic's cost plus
25 15%," Platinum had successfully secured extremely lucrative "executed contracts" as
26 well as numerous prospective contracts, which Fernando repeatedly referred to as
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1 “informally closed” and “done deals,” with large commercial customers mostly
2 located in the United State and Mexico.

3 33. For example, Trujillo represented orally and in writing, and Gomez
4 affirmed, that Platinum recently received an “executed order” for over \$10 million
5 worth of Energetic products from Southern California Public Power Authority
6 (“SCPPA”).

7 34. Trujillo and Gomez also represented that Platinum’s Exclusive
8 Distributorship Agreement with Energetic spanned the globe, and that new markets
9 could readily be added to the existing agreement. Jan inquired about Platinum’s
10 arrangements, if any, for sales in Jan’s home country of Denmark, or in Russia,
11 Turkey or India, where Jan had numerous business contacts from his work with
12 Epoka. Trujillo and Gomez unequivocally confirmed Platinum enjoyed exclusivity in
13 Jan’s prized countries of Denmark, Russia, and India, along with Mexico, Central
14 America, South America, Dominican Republic, United Arab Emirates and South
15 Africa (the “Territory”). Trujillo claimed Platinum was actively seeking exclusivity
16 in Turkey as well. Trujillo and Gomez stated the businesses of Platinum and
17 Energetic were so intertwined that consumers frequently considered them to be one
18 and the same company, in much the same way Jan initially confused Platinum with
19 Energetic.

20 35. Trujillo and Gomez were adamant during these meetings that the only
21 way Jan could legally distribute products for Energetic was if Jan became a
22 shareholder of Platinum. But if Jan became an “owner” of Platinum, according to
23 Trujillo and Gomez, he would enjoy unlimited access to Energetic’s “cost plus 15%”
24 pricing on all Energetic products and exclusive distribution rights internationally.
25 Trujillo and Gomez repeatedly and excitedly emphasized the “astronomical value” of
26 Platinum’s distribution rights. Trujillo claimed, and Gomez confirmed, that on two
27 separate occasions within the past few months, two separate prospective purchasers in
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1 Mexico each offered to acquire Platinum's exclusive rights to distribute Energetic
2 products in Mexico alone for \$6 million. Platinum turned down both \$6 million
3 offers outright, according to Trujillo and Gomez, and did not bother making a
4 counter-offer because Platinum's exclusivity rights in Mexico were worth many
5 millions of dollars and they viewed the \$6 million offers for Platinum's rights in
6 Mexico as insultingly low.

7 36. On the few occasions when Jan expressed the slightest skepticism during
8 these initial meetings, Gomez exclaimed that he was one of the most highly respected
9 business attorneys in San Diego, with 25 years of distinguished service and
10 unimpeachable ethics. At the conclusion of the parties' fourth meeting on March 28,
11 2013, the Platinum Defendants invited Jan and Nicklas to attend a fifth meeting on
12 March 29, 2013, at which the Platinum Defendants would share information
13 concerning Platinum's business model, products, transfer pricing, and lucrative
14 contractual arrangements.

15 37. Jan, Nicklas, Gomez and Trujillo attended a fifth meeting in person on
16 March 29, 2013, at Gomez Law Group's office. Trujillo and Gomez circulated a
17 written price list and a catalog of products available to Platinum at the steeply
18 discounted "cost plus 15%" pricings. The list circulated to Jan and Nicklas during
19 this meeting was comprehensive and highly appealing to any reasonable business
20 person in the LED lighting business. Shortly after circulating Platinum's purported
21 products catalog and price list, Trujillo insisted Jan and Nicklas return the catalog and
22 price list to Gomez due to the "highly sensitive" nature of these documents.

23 38. During the March 29, 2013, meeting, Trujillo and Gomez also
24 distributed copies of a document they claimed contained details regarding the
25 "extremely lucrative" deals Platinum purportedly had in its "Pipeline" (the "Pipeline
26 Deals") as a result of its access to the extensive product lines and steeply discounted
27 pricing reflected in the catalogs and price lists he had shared with Jan and Nicklas
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1 earlier. Among other glowing representations regarding the actual and prospective
2 contractual relationships between Platinum and its purportedly large-scale
3 commercial and municipal customers, the Pipeline Deals included the following
4 specific representations regarding Platinum's business opportunities:

5 a. Southern California Public Power Authority: Defendants claimed
6 the Southern California Public Power Authority (the "SCPPA") signed an agreement
7 with Platinum whereby Platinum would begin to supply 12 municipal utilities in
8 California, including Anaheim Public Utilities. Defendants also represented they
9 recently received a "phone order" from the SCPPA placing one order for Compact
10 Fluorescent Lamps "CFL" valued at \$685,000.00 and a separate order for residential
11 LED installations valued at \$10,600,000.00, which Platinum expected to receive "in
12 the next days." To emphasize the absolute "certainty" of the SCPPA deal as
13 presented in the Pipeline Deals, Trujillo briefly left the meeting room and returned
14 with a copy of the purported "signature page" of the SCPPA contract, which
15 appeared to be an enlarged cell phone photograph of two signatures on one page, one
16 of which was a signature of an Energetic representative and the other a signature of a
17 SCPPA representative, without terms or conditions or any other information
18 whatsoever regarding the SCPPA deal;

19 b. Coppel: Defendants claimed a Mexican entity named Coppel
20 committed to place a "first order of 50,000 pieces from a total of at least 3,000,000
21 pieces for the next 36 months." Defendants represented this would result in gross
22 revenue to Platinum of \$120,000,000.00;

23 c. Santa Fe Stand: Defendants claimed a chain of 95 supermarket
24 stores owned by a close friend of Trujillo intended to retain Platinum for a project
25 valued at \$9,000,000.00, a deal which Defendants represented, in writing, had a "90%
26 possibility" of closing in the immediate future.

1 d. Sheraton Los Cabos: Defendants represented this hotel “already
2 sent us the first order yesterday” for a three phase project worth \$400,000.00.

3 e. Soriana: Defendants represented this major Mexican retail
4 conglomerate “wants to replace the parking lot lighting at all stores” in the next 36
5 months *through Platinum*, a deal purportedly worth \$48,000,000.00.

6 f. Among numerous other similar affirmative statements regarding
7 actual and imminent business opportunities established by Platinum as of March 29,
8 2013.

9 39. In an effort to impress the meeting attendees, Gomez displayed one of
10 Energetic’s Dolphin street lights with pride. Jan asked if the street lights were
11 properly certified, and Gomez claimed the light was UL approved but not Energy Star
12 approved.¹ Gomez represented, however, that the Dolphin street lights would be
13 Energy Star certified within a few short weeks, a reasonable and anticipated delay,
14 according to Gomez, since the Dolphin street lights were “prototypes” not yet
15 actively marketed by Platinum. Trujillo then represented that Energetic supplied the
16 highest quality LED and other lighting products to Platinum with all the necessary
17 certifications in place to sell these products to any consumers within Platinum’s
18 exclusive Territory.

19
20
21 ¹ Prior to sale, all lighting products must be certified by various government regulated
22 entities, which vary from country to country, to ensure the lighting products sold to
23 consumers maintain certain minimum energy efficiency, fire and electrocution safety
24 standards. For example, in the United States, lighting products must maintain, at a
25 minimum, a “UL” or “ETL” certification for safety purposes, whereas in Mexico,
26 lighting products must maintain a “NOM” certification for safety purposes. For
27 energy efficiency purposes, lighting products in the United States must maintain an
28 “Energy Star” certification to qualify for government subsidized rebate and incentive
programs, and in Mexico, an “FIDE” certification entitles consumers to similar
rebates and incentives. Other countries worldwide maintain their own similar but
unique certifications.

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1 40. Jan also inquired about Platinum's ability to process SDG&E rebates for
2 customers, an essential part of Hyperikon's LED and lighting energy efficiency
3 business. Hyperikon implemented a complex computerized system to track and
4 process energy savings rebates for its customers so this was an important
5 consideration for Jan. At that point, Gomez very adamantly stated that Platinum was
6 extremely well integrated in the SDG&E rebate and incentive program, with a "team"
7 in place processing and tracking the various phases of SDG&E's rebates and other
8 incentives for its customers. Gomez claimed he had numerous contacts and
9 acquaintances at SDG&E, who helped Platinum efficiently process rebates and pass
10 along the substantial savings to its many customers.

11 41. After reviewing the Pipeline Deals with the attendees at the meeting in
12 detail, Defendant Trujillo utilized a "white board" to demonstrate how the group
13 should properly value and offer 10% of the issues and outstanding Platinum stock to
14 Plaintiffs. Trujillo explained that utilizing customary business valuation methods,
15 Platinum was worth \$30,000,000.00, based on the "current contracts" and prospective
16 contracts identified in the Pipeline Deal Terms, the prior "substantial" monetary
17 investments of Trujillo and Gomez, and the Exclusivity Agreement with Energetic.
18 After writing the \$30 million number on the board, Trujillo proceeded to explain that
19 given this valuation, Platinum's 500,000 shares of issued and outstanding common
20 stock were worth at least \$60 per share. A 10% share of Platinum, therefore, would
21 cost \$3,000,000. Both Trujillo and Gomez represented to Jan and Nicklas that this
22 share price was based upon a substantial undervaluation of the company.

23 42. During this March 29, 2013, meeting and white board presentation,
24 Gomez agreed with Trujillo's calculations and Trujillo and Gomez further
25 represented that Gomez would act as the attorney for all interested parties to ensure
26 the safe and lawful transfer of stock from the current stockholders, Trujillo and
27 Gomez, to Plaintiffs. Gomez repeatedly represented that he would never jeopardize
28

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1 his sterling reputation as an upstanding San Diego attorney by engaging in any
2 misconduct or otherwise mishandling the Offering in any way.

3 43. At the conclusion of the March 29, 2013, meeting, Trujillo and Gomez
4 suggested that Jan purchase the 10% interest with \$1,000,000 in cash up front, and
5 \$2,000,000 payable from the substantial commissions he would be earning as a new
6 Platinum representative with access to Energetic exclusivity and pricing. Defendants
7 claimed Jan, as a new Platinum stockholder, would also be earning “substantial seven
8 figure dividends and distributions” from the contracts described in the Pipeline Deals
9 alone. Trujillo finished his presentation by saying, “Look, we need you and all your
10 marketing materials and expertise, but you have to invest to sell Energetic. Maybe I
11 am crazy for letting you invest on these terms so you should take this deal before we
12 change our minds.”

13 44. Plaintiffs finally left the meeting, advising Trujillo and Gomez they all
14 needed some time to think about the offer. The very next day, however, on March
15 30, 2013, Trujillo sent an email to Gomez, copied to Jan and Nicklas, affirmatively
16 stating, in relevant part, “we have the agreement / Contract with SCCPA, and on that
17 particular 12 Utilities they are accepting all LED T8's, with our brand...” In this
18 email, Trujillo obviously attempted to further assure Jan and Nicklas that Platinum’s
19 “lucrative” \$10.6 million deal with SCCPA was proceeding and that all Energetic’s
20 LED products were certified, Energy Star approved for rebates, and ready for
21 delivery.

22 45. On April 3, 2013, Jan and Nicklas called Gomez via Jan’s Bluetooth
23 speakerphone in Jan’s car during their morning commute to Hyperikon’s offices.
24 Gomez did not answer so Jan left a voice message stating Jan could not afford to pay
25 \$1 million for Platinum shares and did not wish to participate in the Platinum
26 Defendants’ securities offering. Gomez immediately returned the call approximately
27 5 minutes later from Gomez Law Group’s phone and stated, “Jan, I just listened to
28

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1 your voice message and you sounded so sad. Please come to my office right now and
2 I will try my best to work something out. I really do not want you to miss out on this
3 great opportunity and will do whatever I can to help you.”

4 46. Jan and Nicklas then drove straight to Gomez Law Group’s office as
5 Gomez requested where Gomez and Trujillo were waiting for them. Upon their
6 arrival, Jan confided, “Guys, I cannot make this investment. I am not that that
7 loaded.” Gomez responded in a sarcastic tone, “Oh, come on Jan!” Trujillo then
8 exclaimed, “Jan, we asked you to come today because we have great news! I
9 somehow convinced Gomez to let you in for only \$100,000 up-front.” Gomez then
10 confirmed he made arrangements, with considerable effort, to permit Jan to purchase
11 the same 10% of Platinum’s issued and outstanding stock for an up-front payment of
12 only \$100,000.00. In exchange for \$100,000.00, Jan would receive 1,666 shares (\$60
13 per share). Jan would be expected to purchase the remaining 48,334 shares before the
14 end of 2013. Trujillo assured Jan his substantial “seven-figure” income as an
15 Energetic distributor and Platinum shareholder would be more than adequate to
16 purchase the remaining shares. According to Gomez, however, Jan had to purchase
17 the minimum 1,666 shares immediately or Platinum legally would be forced to
18 exclude him from the Pipeline Deals.

19 47. During the April 3, 2013, meeting, Gomez and Trujillo concocted a
20 scheme to convince Jan that his 22-year-old son Nicklas also would benefit from
21 Jan’s substantial prospective \$100,000.00 initial investment in Platinum. Nicklas
22 previously discussed with Gomez and Trujillo his goal of creating a web application
23 compatible with smart phones to enable consumers to test or “audit” the lighting in
24 their residential environments. Nicklas told the men he considered naming this
25 prospective application “LEDHomekit.” Solely to further entice Jan to invest
26 \$100,000.00 at the April 3, 2013, meeting, Trujillo and Gomez offered to sell Nicklas
27 1,666 shares of Platinum stock in exchange for all “intellectual property” developed
28

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1 by Nicklas in connection with LEDHomekit. The Platinum Defendants conveniently
2 valued Nicklas's "intellectual property" at \$100,000.00, the same price Jan would be
3 paying for his initial tranche of 1,666 shares. Upon information and belief, the sole
4 purpose of this bogus transaction was to convince Jan that his initial investment in
5 Platinum, and any subsequent prospective investments, also would benefit his son as
6 a Platinum shareholder in this "deal of a lifetime."

7 48. The "intellectual property" transferred to Platinum by Nicklas for these
8 shares, however, was nothing more than a vague idea, undeveloped, untested, and
9 unprotected by any U.S. or international intellectual property laws. Upon information
10 and belief, the Platinum Defendants absolutely knew, or reasonably should have
11 known, that Nicklas's "\$100,000.00 LEDHomekit idea" had very little if any real
12 value. Based on all of the circumstances alleged herein, the Platinum Defendants
13 included Nicklas in the Offering on these terms with the sole intent and purpose of
14 enticing Jan to invest \$100,000.00 in cash in Platinum, along with additional
15 subsequent cash investments in Platinum, all for the benefit of Gomez and Trujillo.

16 49. Jan asked the Platinum Defendants if he should hire an attorney to
17 advise him regarding this new proposal. Gomez, however, expressly assured Jan that
18 Gomez was acting as Jan's attorney and would protect Jan's interests as well as the
19 interests of all Platinum's investors. In so advising and assuring Jan, Gomez violated
20 the California State Bar Rules of Professional Conduct, Rule 3-310, prohibiting the
21 representation of clients with adverse interests and irreconcilable conflicts of interest,
22 particularly without the *informed* written consent of Jan. Reacting to the sense of
23 urgency and pressure Gomez communicated to Jan and Nicklas, Jan agreed to
24 immediately make arrangements to wire Gomez \$100,000.00. He also agreed to
25 return to Gomez Law Group's office as soon as possible to sign any documentation
26 Gomez prepared and recommended, as Jan's attorney, to memorialize the parties'
27 agreement.
28

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1 50. Under extreme pressure imposed by Gomez, who threatened to exclude
2 Jan from the Pipeline Deals for “legal reasons” unless he invested \$100,000.00
3 immediately, and in reliance on all of the foregoing representations made by the
4 Platinum Defendants, Jan and Nicklas returned to the Gomez Law Group’s office on
5 or around April 5, 2013. Upon information and belief, Gomez presented Jan with
6 documents purporting to memorialize the parties’ agreement to transfer 1,666 shares
7 to Jan in exchange for \$100,000.00, and to transfer 48,334 shares to Jan before the
8 end of 2013 in exchange for \$2.9 million in commission payments and/or other
9 consideration. At this same meeting, Gomez also presented Nicklas with an
10 agreement, prepared by Gomez, purporting to transfer “the rights to LEDHomekit” to
11 the Platinum Defendants in exchange for 1,666 shares of Platinum stock. Jan and his
12 son signed the documents Gomez presented to them, despite the fact neither could
13 understand the complex legal terminology in any of the documents, which were
14 written in English only, as Gomez had expressly assured Plaintiffs he was protecting
15 their interests in Platinum as their attorney and fiduciary.

16 51. On April 8, 2013, (the Monday following the parties’ Friday April 5,
17 2013, meeting, described above), Jan wired Gomez \$100,000.00. Upon information
18 and belief, the wiring instructions prepared by Gomez caused Jan to wire this
19 \$100,000.00 payment to a checking account controlled solely by Gomez.

20 52. Throughout the remainder of April, Jan repeatedly requested that Gomez
21 provide him copies of the necessary documentation concerning his substantial
22 \$100,000.00 investment, and also provide further direction regarding how to integrate
23 the businesses of Hyperikon and Platinum such that Hyperikon could begin
24 marketing and selling Energetic products in the Territory, properly quote prices to
25 consumers based on transfer cost pricing between Energetic and Platinum, and
26 process and administer rebates. Instead of providing the requested documents and
27 information, however, Gomez became very angry and heated during several meetings
28

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1 and telephone discussions in April. He represented on numerous occasions during
2 April, as he had during the meetings before, that he was a prominent, well recognized
3 “business attorney” in San Diego and he represented Jan’s interests as well as
4 Platinum’s interests, which Gomez inexplicably claimed were aligned.

5 53. In or around mid-April, Trujillo approached Jan by telephone and in
6 person and suggested that perhaps he could arrange for Jan’s COO, Robert Kenyon,
7 to become a shareholder of Platinum on the same extremely favorable terms the
8 Platinum Defendants had offered to Jan, as a gesture of good faith to Jan and his
9 team. Subsequently, during a late April meeting at the Gomez Law Group’s office,
10 the Platinum Defendants engaged in the first of many egregious and tragic “good cop,
11 bad cop” artifices to further defraud Plaintiffs in connection with the Platinum
12 Offering. First, Fernando presented his bogus rationale for including Kenyon in
13 Platinum’s Offering as a gesture of good faith and to motivate Platinum’s new
14 “team.” Then Gomez, on cue, acted highly agitated and protested heatedly against
15 the plan which he claimed was “extremely unfair” to the company and its founders,
16 Gomez and Trujillo. After additional mock convincing by Trujillo, however, Gomez
17 “relented” and agreed to “let Robert in.” Jan, completely fooled by the Platinum
18 Defendants’ charade, expressed tremendous gratitude toward Gomez and Trujillo for
19 this great “opportunity” and thanked both men graciously for “the honor” bestowed
20 upon Hyperikon’s team. In reliance on the Platinum Defendants misrepresentations
21 and artifice to defraud Jan, Jan agreed to facilitate Kenyon’s investment in Platinum
22 via a loan from Hyperikon, as Kenyon had no liquid assets of his own to invest.

23 54. Incredibly, Gomez insisted on handling all aspects of this transaction on
24 behalf of all parties, despite the obvious irreconcilable conflicts of interest and direct
25 violations of California State Bar Ethical Rule 3-310 and California Business &
26 Professions Code § 6068, et seq. Gomez prepared and circulated a promissory note
27 by Kenyon in favor of Hyperikon in the principal amount of \$100,000.00, and then
28

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1 instructed Jan to cause Hyperikon to transfer the \$100,000.00 Kenyon Loan amount
2 directly to Gomez's account. On May 6, 2013, in reasonable reliance on all of the
3 foregoing representations, Jan caused Hyperikon to wire transfer this second
4 \$100,000.00 payment to an account controlled by Gomez pursuant to the express
5 instructions of Gomez who Jan believed was acting as his attorney.

6 55. Then, in or around the middle of May 2013, in furtherance of the
7 Platinum Defendants' ongoing scheme to defraud Plaintiffs, Trujillo and Gomez
8 called a meeting with Jan, Kenyon and Nicklas at Gomez Law Group's office.
9 Gomez commenced the meeting by proclaiming to be an expert in trusts and
10 corporations. Gomez offered to incorporate a U.S. domestic corporation for Jan, also
11 at no charge, for the sole purpose of holding Jan's Platinum shares and receiving the
12 substantial dividends he could expect in the near future as a Platinum shareholder.
13 Gomez also offered to prepare a U.S. trust for Jan and his family, at no charge, so
14 long as Jan simply provided Gomez a detailed schedule of his assets.

15 56. At this same meeting, Trujillo, who holds a Green Card, claimed that Jan
16 could easily obtain his Green Card if he structured his Platinum investment properly
17 through the trust and corporate services recommended by Gomez. After listening to
18 Trujillo's bogus claim that Jan could more easily obtain a Green Card by establishing
19 a U.S. trust, Gomez offered to provide Jan the necessary trust, corporate and
20 immigration services to apply for an expedited Green Card. Gomez claimed he
21 would work in conjunction with an immigration attorney named Grace Zimmerman,
22 who Plaintiffs understood was Gomez's friend and colleague.

23 57. Jan relied on Gomez's representations that he was acting as Jan's
24 attorney for all purposes in connection with the Platinum transaction, including these
25 ancillary corporate, estate planning, and immigration matters. Jan and his wife met
26 with Gomez to discuss a prospective trust in early July 2013. During this meeting,
27 Gomez requested a detailed list of all assets held by the family and details regarding
28

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1 the family's financial condition. Jan became uncomfortable disclosing such private
2 information to his new "business partner," but Gomez repeatedly assured Jan and his
3 wife that Gomez was not just a business partner but also Jan's attorney protecting
4 Jan's interests with the utmost fiduciary and ethical duties such a relationship entails.
5 Jan and his wife, who had no experience dealing with U.S. attorneys, believed Gomez
6 and presented him with a list of the family's assets. On information and belief, the
7 Platinum Defendants' sole intent and purpose of having Gomez offer Jan trust
8 services was to determine if Jan had additional available cash to invest in Platinum.²

9 58. On July 17, 2013, Gomez formed a California corporation on behalf of
10 Jan called Takecare, Inc. Upon information and belief, Jan and his wife are equal
11 50% shareholders of Takecare, Inc. Gomez not only prepared and filed all of the
12 necessary corporate paperwork on behalf of Takecare, Inc., but Gomez also assumed
13 the role of registered agent for service of process, a role Gomez continues to serve for
14 Jan's corporation today.

15 59. At the same time Gomez initially was advising Jan concerning the
16 foregoing trust and corporate services, Trujillo called Jan in or around late May 2013
17 to discuss the Platinum Offering. During Trujillo's initial telephone call and during
18 subsequent in person meetings at the Gomez Law Group's office in early June 2013,
19 attended by Jan, Nicklas, Kenyon, Trujillo and Gomez, Trujillo advised Plaintiffs that
20 the Platinum Defendants were prepared to offer them "extremely generous"
21 additional stock Offering terms.

22 60. According to Trujillo, whose statements were ratified and approved by
23 Gomez who attended every meeting, Platinum greatly appreciated Hyperikon's skills,
24 goodwill, marketing materials, the UCLA study, and other intellectual property. As a
25 result, "after much convincing," Gomez had agreed to offer an even sweeter deal to
26

27 ² The Gomez Law Group's website describes a law practice limited to personal injury,
28 elder and dependent care abuse, and wage and hour employment litigation matters.
See <http://alvingomez.com/>.

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1 Plaintiffs to reflect Platinum’s good faith and confidence in its new relationship with
2 Platinum’s “new business partners.” The Platinum Defendants then proceeded to
3 offer Plaintiffs a substantially greater stake in the company in exchange for
4 substantially all of the assets of Hyperikon and a promissory note executed by Jan in
5 favor of Platinum. According to Trujillo, these additional financial commitments,
6 along with the Jan’s previous \$200,000.00 in cash payments, and Nicklas’s previous
7 transfer of the \$100,000.00 “LEDHomekit,” would substantially increase the
8 Plaintiffs’ initial stock holdings. Trujillo promised Plaintiffs if they agreed to these
9 new terms, they would enjoy greater financial participation in the coveted Pipeline
10 Deals because they would receive considerably larger initial tranches of Platinum
11 stock immediately, along with proportionately greater rights to dividends and
12 distributions.

13 61. As Trujillo presented the new “sweetened deal,” in very general terms,
14 Plaintiffs and Kenyon would receive approximately \$2.4 million worth of Platinum
15 stock in exchange for “only \$1 million” in cash up-front, and approximately \$400,000
16 in Hyperikon assets and “goodwill.” In addition, instead of 10% of the issued and
17 outstanding shares of Platinum, Jan now would be entitled to a total of 14% of
18 Platinum’s issued and outstanding stock, after performing all terms of the Offering,
19 and Nicklas and Kenyon each would be entitled to 5%.

20 62. After several more discussions on the phone and in person, Gomez
21 presented Jan and Nicklas new Offering documentation during a meeting at Gomez
22 Law Group’s office in early June 2013. According to Gomez and Trujillo, Plaintiffs
23 and Kenyon now would be entitled to an initial tranche of 40,332 shares in exchange
24 for \$1,375,035.71 (or \$34.09 per share), to be allocated 26,200 shares to Jan, and
25 7,066 shares each to Nicklas and Mr. Kenyon. The \$1.375 million payment would be
26 comprised of the following three separate items of consideration: (1) the \$200,000.00
27 Jan already paid to Gomez, including \$100,000 paid on April 8, 2013, and \$100,000
28

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1 paid by Hyperikon for Kenyon's benefit on May 6, 2013; (2) a new promissory note
2 executed by Jan in favor of Gomez and Trujillo in the amount of \$402,650.00,
3 payable in 7 monthly installments of \$50,000 and one monthly installment of \$52,650
4 (the "Jan Note"); and (3) a transfer of all tangible and intangible assets of Hyperikon,
5 valued at \$772,000, including its accounts receivable of \$376,025.00, which was
6 payable by Hyperikon's customers in monthly installments of \$6,685.00.³

7 63. Additionally, as part of this final "Offering," in exchange for future
8 payments of \$4,780,080.00 in cash (which could be paid at any time before March
9 31, 2014 for Jan's shares and anytime before March 31, 2015 for Nicklas's and
10 Kenyon's shares), Plaintiffs and Kenyon could purchase the 79,668 balance of the
11 total 120,000 shares offered in the Offering (or \$60 per share) to be allocated 43,800
12 additional shares to Jan, and 17,934 additional shares each to Nicklas and Kenyon.
13 Trujillo and Gomez both emphasized in emails, telephone calls and in person
14 meetings in June 2013 that Plaintiffs and Kenyon would easily cover the \$4.78
15 million balance owed to the Platinum Defendants by applying varying percentages of
16 the "substantial commissions" Jan, Nicklas and Kenyon would be generating as
17 Platinum agents over the next 9 to 21 months to stock purchases. Plaintiffs indicated
18 they would consider the new Offering terms and respond as soon as possible.

19 64. Between June 15, 2013, and July 6, 2013, Jan and Nicklas returned to
20 Denmark to vacation and visit friends and family. During this time period, the
21 Platinum Defendants engaged in additional, egregious high-pressure sales tactics and
22 fraudulent, unethical misconduct intended to serve the following two purposes:
23
24

25 _____
26 ³ Kenyon listed Hyperikon's inventory and other assets on a sheet of paper for review
27 by Gomez and Gomez assigned a value of \$772,000.00 to Hyperikon's assets
28 transferred in connection with the new Offering terms. Gomez arbitrarily assigned a
value of \$250,000 to Hyperikon's "goodwill," solely for the purposes of enticing Jan
to invest more up-front cash in Platinum for the benefit of Gomez and Trujillo.

1 (a) To extract as much cash as possible from Plaintiffs as quickly as
2 possible; and

3 (b) To frighten Plaintiffs regarding purported exposure to potential
4 criminal and civil liability in order to detract attention from Platinum Defendants'
5 unlawful fraudulent misconduct.

6 65. First, on June 12, 2013, immediately prior to Jan's departure to
7 Denmark, Trujillo called Jan and stated in a very concerned tone that Gomez
8 discovered Kenyon "broke the law." According to Trujillo, again playing his "good
9 cop" role in the Platinum Defendants' artifice to defraud Plaintiffs, Kenyon had
10 somehow "misstated" the value of certain Hyperikon assets in the asset transfer
11 documentation. As a result of Kenyon's "misstatements," Trujillo explained, the
12 Platinum Defendants could unilaterally take ownership of all shares of stock
13 previously purchased by Plaintiffs and Kenyon. Trujillo said Gomez had specifically
14 included provisions in the parties' agreements which allowed him to take this extreme
15 measure in the event of such "misstatements," and that Gomez likely would proceed
16 unless Jan invested "another \$25,000.00 in up-front cash" to "calm Gomez down"
17 and to "show good faith."

18 66. Trujillo promised the new proposed Offering terms would remain the
19 same and the \$25,000.00 payment would reduce the prospective Jan Note (with a
20 principal balance due of \$402,650.00) accordingly. Trujillo warned Jan, however,
21 that this minimal additional \$25,000 up-front cash payment was absolutely necessary
22 for Trujillo to pacify Gomez. Upon information and belief, these "warnings" were
23 made at the express instruction of Gomez who Trujillo said was extremely angry and
24 concerned about these "recent developments." Concerned, and under duress imposed
25 by Trujillo and Gomez whom Jan believed to be acting in Jan's best interest, Jan
26 wired another \$25,000.00 to Gomez two days later on June 14, 2013, the day before
27 he departed for Denmark.
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1 67. Then in late June, Trujillo called Jan and Nicklas multiple times in
2 Denmark and warned them that Gomez now was investigating the “true value” of
3 LEDHomekit. According to Trujillo, again playing “good cop,” Gomez complained
4 about the \$100,000.00 LEDHomekit valuation, and also complained about Nicklas’s
5 contributions over the past few months to Platinum’s internet sales strategies. Gomez
6 once again communicated through Trujillo his intention to unilaterally take
7 ownership of all shares of stock previously purchased by Plaintiffs and Kenyon
8 unless Jan agreed to the new Offering terms and invested more capital into Platinum.

9 68. Finally, also in late June 2013, both Gomez and Trujillo called Jan and
10 advised him there was a very serious problem concerning two of Hyperikon’s
11 commission based sales people. Specifically, Gomez represented that Hyperikon’s
12 sales agreements with Augustine (“Gus”) Gallo and Jeff Powell included “clearly
13 fraudulent misrepresentations” which, in the United States, constituted criminal and
14 civil offenses. Gomez advised Jan that the only solution was for Platinum to assume
15 these employees’ commission based sales agreements so Gomez could restructure the
16 agreements and thereby resolve any potential exposure to the company, or to Jan
17 individually, for Jan’s “fraud.” Jan readily accepted Gomez’s proposal because he
18 believed Gomez was acting as his U.S. attorney protecting Jan’s interests with the
19 utmost fiduciary duties of loyalty and fair dealing.

20 69. Jan returned from Denmark on July 5, 2013, a Saturday, and he attended
21 a meeting at Gomez Law Group’s office the following Monday on July 8 to discuss
22 the “developments” at Platinum while the he was in Denmark. In accordance with
23 the Platinum Defendants’ unlawful artifice to further defraud Plaintiffs, the
24 discussions at this meeting consistently were diverted from Platinum’s progress on
25 the Pipeline Deals or any other issues of importance and focused instead on resolving
26 the “errors and omissions” of Plaintiffs and Kenyon. Jan already had resolved the
27 issue involving Kenyon’s “misstatements” regarding the Hyperikon valuation by
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1 wiring \$25,000.00 to Gomez on June 14. The remaining issue, therefore, was the
2 formal assignment of Gus and Jeff's commission based sales agreements to Platinum.
3 Jan signed all documents Gomez presented to him to accomplish this purpose.
4 Gomez neglected to mention that Gus and Jeff had already been working with Gomez
5 and Trujillo to close potentially lucrative LED lighting sales deals, on behalf of
6 Platinum, with Qualcomm, Inc., in San Diego, and a reputable company called
7 "Intelliswitch" based in Mexico.

8 70. Once the parties concluded the matters involving "errors and omissions"
9 of Plaintiffs and Kenyon, Gomez and Trujillo turned their attention to Platinum new
10 proposed Offering terms. According to Trujillo, Gomez insisted the parties finally
11 formalize and memorialize final agreements regarding Plaintiffs' stock purchase and
12 commission based sales agreements with Platinum.

13 71. The final deal, according to Gomez, must be dated "as of May 1, 2013,"
14 so Jan's payment plan must be adjusted accordingly. Jan reluctantly agreed because
15 he feared Gomez otherwise would unilaterally take ownership of all shares of stock
16 previously purchased by Plaintiffs and Kenyon, as the Platinum Defendants had
17 threatened while Jan was in Denmark. In accordance with the new Offering "deal"
18 reached on July 8, 2013, the parties would proceed with the new Offering terms, only
19 the deal now was effective "as of May 1, 2013" and, consistent with Trujillo's
20 previous promise, Jan's \$25,000.00 payment to resolve Kenyon's "misstatements"
21 was applied to the Jan Note.

22 72. Therefore, as of July 8, 2013, Plaintiffs and Kenyon purportedly
23 received an initial tranche of 40,332 shares in exchange for \$1.375 million, which
24 was allocated 26,200 shares to Jan, and 7,066 shares each to Nicklas and Mr.
25 Kenyon. The \$1.375 million payment was comprised of the \$200,000.00 already
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1 paid to Gomez, the Jan Note worth \$402,650.00, and Hyperikon's assets "worth
2 \$772,385.71." ⁴

3 73. Additionally, as part of this final "Offering," in exchange for future
4 payments of \$4,780,080.00 in cash (which could be paid at any time before March
5 31, 2014 for Jan's shares and anytime before March 31, 2015 for Nicklas's and
6 Kenyon's shares), Plaintiffs and Kenyon could purchase the 79,668 balance of the
7 total 120,000 shares offered in the Offering (or \$60 per share) to be allocated 43,800
8 additional shares to Jan, and 17,934 additional shares each to Nicklas and Kenyon.

9 74. Gomez and Trujillo assured Jan he, Nicklas and Kenyon received a great
10 deal. The Platinum Defendants reiterated how Plaintiffs and Kenyon were actually
11 only paying \$1 million in cash up-front in exchange for \$2.4 million worth of
12 Platinum stock. More specifically, Jan transferred to Gomez \$225,000 in cash
13 (\$100,000 on April 8, another \$100,000 on May 6, and another \$25,000 on June 14 to
14 resolve Kenyon's "misstatements"), \$376,025 in Hyperikon's receivables, and the Jan
15 Note for \$402,650. The total, \$1,003,675, comprised Jan's total up-front *cash*
16 commitment in connection with the Offering, according to the Platinum Defendants.
17 Whereas, Plaintiffs and Kenyon received 40,332 shares which, at \$60 per share, were
18 worth \$2,419,920. The Platinum Defendants had absolutely convinced Jan there was
19 no way for him to lose money under these circumstances.

20 75. Because Jan agreed to these terms on July 8, 2013, and agreed to make
21 the agreement effective "as of May 1, 2013," Gomez demanded that Jan immediately
22 transfer to Platinum the \$6,685 monthly payments Hyperikon received in connection
23 with its accounts receivable for the months of May, June and July. Therefore, on July
24 8, 11, and 16, respectively, Jan completed three separate wire transfers to Gomez in
25

26 ⁴ Notably, Gomez never altered or reduced this valuation of Hyperikon's assets,
27 despite his allegations of fraud regarding Kenyon's purported "misstatements," which
28 further underlines the Platinum Defendants' intentional and egregious artifice to
defraud Plaintiffs.

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1 the amount of \$6,685 each. On July 18, 2013, Jan paid Gomez the first \$50,000.00
2 payment on the Jan Note by delivering a check to Gomez at the Gomez Law Group's
3 offices.

4 76. Gomez prepared documents purporting to memorialize the parties'
5 agreements and Plaintiffs dutifully signed each document and initialed any pages
6 Gomez indicated should be initialed. Immediately after Nicklas returned from
7 Denmark on July 15, 2013, he also signed the documents in accordance with
8 Gomez's instructions. At one point, when Jan attempted to read the documents,
9 complained about his poor understanding of English and U.S. legal documents, and
10 asked questions about the provisions concerning commissions, Gomez exclaimed, as
11 he had numerous times in the past, "I am acting as your lawyer and have adequately
12 protected all of your interests. You do not need to worry about the legalese as I have
13 taken care of everything." He also stated at this meeting, "I am not making any
14 further changes to these documents so just sign them. You are getting far more than
15 you deserve as new investors."

16 77. Not surprisingly, the central focus of the "agreements" prepared by
17 Gomez was to extract as much cash as possible as quickly as possible from Jan. For
18 example, the accounts receivable of Hyperikon paid approximately \$6,685 per month
19 "effective as of May 1, 2013," the first Jan Note payment of \$50,000 was payable
20 "upon execution," and Gomez already successfully extracted \$225,000 in cash from
21 Jan before finalizing the Offering and purchase of securities by Plaintiffs. Moreover,
22 the remaining assets of Hyperikon purportedly transferred to Platinum were never
23 formally delivered to Platinum - nor did Gomez or Trujillo further discuss these
24 "assets" with Plaintiffs. The only assets of any concern to Gomez and Trujillo during
25 this mid-July meeting, and at every other time relevant to this action, were the cash
26 investments, and the monthly payments on the Jan Note and Hyperikon's receivables.

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1 78. In connection with all of the foregoing transactions, between April and
2 July 2013, Jan asked Gomez for copies of the numerous asset transfer agreements, the
3 Kenyon Note agreements, the stock purchase agreements, the books and records of
4 the company, and the transfer pricing and product catalogs as between Platinum and
5 Energetic. Whenever Jan raised these issues, however, Gomez would become irate
6 and Trujillo would demand Jan refrain from spoiling his “deal of a lifetime” by
7 pestering Gomez, again playing “good cop, bad cop” in the Platinum Defendants’
8 artifice to defraud Plaintiffs. Gomez also repeatedly exclaimed it was his *duty* to
9 maintain all originals and copies of the parties’ various documents, *including*
10 *Plaintiffs stock certificates*, in his capacity as Plaintiffs’ attorney for all purposes in
11 connection with Platinum.

12 79. Moreover, Gomez expressly stated to Jan and Nicklas, orally at a
13 meeting in person on July 17, 2013, and in writing in a document entitled
14 Shareholders Agreement, signed by the parties on July 17, 2013, that Gomez must
15 maintain custody of all Platinum shareholders’ stock certificates to ensure all
16 transfers of company stock “comply with applicable securities laws.” For this
17 purported “legal reason,” Plaintiffs do not have possession of the stock certificates
18 evidencing their shares of Platinum stock because these stock certificates, according
19 to Gomez, are in the possession of Gomez.

20 ***The Platinum Defendants’ Misrepresentations And Omissions Of Material Facts***
21 ***Regarding Platinum Were Intentionally False And Misleading***

22 80. In August 2013, Plaintiffs discovered Defendants’ numerous
23 misrepresentations and omissions of material facts regarding Platinum were
24 categorically and intentionally false and misleading for all of the following reasons,
25 among other reasons:

26 a. *First*, Platinum, exclusive Territory did not include India,
27 Denmark or Poland, contrary to the Platinum Defendants’ representations to the
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1 contrary, described above. In late June and early July, Jan discovered from a
2 business contact in India that another distributor of Energetic Lighting operated freely
3 in India. Gomez and Trujillo repeatedly claimed during several meetings in July that
4 although it was true another business was “registered” in India, Platinum still enjoyed
5 the lowest pricing available from Energetic in all countries so this was not a concern
6 of the Platinum Defendants. Moreover, according to Trujillo, all sales in India were
7 controlled by Mr. Lui, Energetic’s Vice President, so Platinum’s interests would be
8 protected. The Platinum Defendants, including Gomez who sat silently and thereby
9 assented to the foregoing statements repeatedly made by Trujillo, consistently
10 represented, however, that Platinum could nevertheless enforce its exclusivity in
11 India at any time it wished. Then, in or around late July 2013, after Jan repeatedly
12 requested a copy of Platinum’s Exclusivity Agreement, Gomez finally presented Jan
13 with a one page document entitled “Amendment No. 1 to Fulfillment Agreement
14 Between Platinum LED US Inc. and Energetic Lighting” (the “Amendment”). The
15 Amendment was dated December 19, 2012 and executed by David Lui as “Vice
16 President” of Energetic Lighting, and by Alvin Gomez as President of Platinum. The
17 Amendment purported to list every country in Platinum’s exclusive Territory. The
18 Amendment’s list of countries did not include Denmark, India, Poland or Turkey,
19 contrary to every written and oral representation made by the Platinum Defendants
20 regarding the Territory prior to Plaintiff’s investment;

21 b. *Second*, Jan discovered in August 2013 that the Platinum
22 Defendants’ \$30 million valuation of Platinum, which expressly was based on the
23 Pipeline Deals, was so bogus and artificially inflated that it defied comprehension
24 based on Plaintiffs’ understanding of business and legal ethics, and based on
25 Plaintiffs’ understanding that Gomez, acting as their attorney, had confirmed the
26 accuracy of this valuation. In fact, not one of the Pipeline Deals described above ever
27 was realized, and Platinum has not earned any of the promised revenues set forth in
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1 the purported “contracts” and “informally closed” deals comprising the Pipeline
2 Deals. Upon information and belief, based on Jan’s numerous discussions and emails
3 with Gomez and Trujillo from June to the present date, the only money paid to the
4 Platinum Defendants in connection with Energetic Lighting was a total of
5 \$150,000.00, paid in or around July 2013 in connection with the purported SCPPA
6 deal to supply LED lighting to the Anaheim Public Utility. Based on information and
7 belief, however, as described in greater detail below, this purported Platinum deal
8 was, in fact, a contract performed by Energetic, and the \$150,000.00 payment
9 constituted a commission payment earned by Trujillo, in his capacity as a
10 Commercial Sales Manager of Energetic;

11 c. *Third*, in or mid-August 2013, Jan learned that Energetic could not
12 and was not able to supply Platinum with LED street lighting pre-certified by UL and
13 Energy Star in the United States; nor was Platinum able to obtain LED products
14 certified by NOM and FIDE in Mexico, by TSI in Turkey, by S in Argentina, or by
15 *any* other certifying entity for use in *any* of the countries in which Platinum
16 purportedly had exclusive distributorship rights. The inability or unwillingness of
17 Energetic to supply Platinum with pre-certified LED products for installation in the
18 various countries in Platinum’s exclusive Territory is absolutely contrary to the
19 customs and practices of lighting distributorships. For the foregoing reasons, upon
20 information and belief, Platinum does not enjoy a legitimate exclusive distributorship
21 arrangement with Energetic. Otherwise, Energetic could and would supply Platinum
22 with pre-certified products ready for installation in all countries in the Territory. Any
23 other arrangements makes absolutely no financial sense from the perspective of an
24 average reasonable LED lighting distributor;

25 d. *Fourth*, in or around August 2013, Jan learned for the first time
26 that his team was not entitled to sell the diverse products at the “cost plus 15%”
27 pricing as represented in the bogus catalogue the Platinum Defendants displayed to
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1 Plaintiffs during their late March and early April 2013 meetings, described above.
2 Instead, Jan learned he only was entitled to sell a very limited number of Energetic
3 products. Moreover, pursuant to a memo distributed by Gomez in August 2013, all
4 pricing terms had to be negotiated by Plaintiffs and all Platinum agents “on a case by
5 case” basis subject to the sole discretion and approval of Gomez and David Lui of
6 Energetic;

7 e. *Fifth*, as early as March 2013, Jan knew and understood Trujillo
8 was the Commercial Sales Manager of Energetic Lighting. The Platinum Defendants
9 led Plaintiffs to believe, however, that Trujillo’s arrangement whereby he also acted
10 as a distributor through Platinum, was formally approved by Energetic. Upon
11 information and belief, however, Trujillo does not have the approval or endorsement
12 of Energetic to act as a distributor of Energetic products while also acting as a
13 commission based sales person for Energetic. In July 2013, Trujillo revealed to Jan,
14 during meeting at Gomez Law Group’s office, that Platinum was expected to pay a
15 small portion of any commissions earned on its sales of Energetic products to David
16 Lui. An additional “cut” of Platinum’s commissions earned on internet sales was to
17 be paid to yet another Energetic employee named Fernando Segura. The amount paid
18 to these individuals was not established by contract but rather, according to Trujillo,
19 simply was “expected” and a cost of doing business “on such favorable terms.” For
20 the foregoing reasons, Plaintiffs now are informed and believe Trujillo and Gomez
21 are involved in an illegal “kick-back” scheme with Mr. Lui and perhaps others at
22 Energetic, whereby Lui approves favorable pricing to Platinum in exchange for a cut
23 of the profits, all without the knowledge and approval of Energetic or its publicly
24 traded parent company;

25 f. *Sixth*, in August 2013, Nicklas and Jan both discovered that
26 Platinum and 1000 Bulbs, Ltd., are not, in fact, the sole and exclusive distributors of
27 Energetic products. On the contrary, several if not dozens of distributors offer
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1 Energetic products for sale, including eBay, Amazon, and Lowe's, and many of the
2 prices offered by these additional Energetic distributors are below or equal to the
3 prices Platinum can offer based on the transfer pricing offered by Energetic, which
4 absolutely and universally is greater than "cost plus 15%";

5 g. *Seventh*, contrary to the numerous representations made by Gomez
6 that he was acting as the attorney for Plaintiffs in all aspects of the Platinum Offering,
7 and Gomez's actual formal retainer by Plaintiffs to act as their trust and corporate
8 attorney in the Platinum transaction, Plaintiffs now are informed and believe that
9 Gomez was not acting as their attorney and fiduciary and, on the contrary, Gomez
10 engaged in numerous acts and transactions to benefit his own interests at the cost of
11 Plaintiffs, as described in detail above. Moreover, Plaintiffs discovered in September
12 2013 that Gomez's representations to Plaintiffs, described in detail above, that Jan,
13 Nicklas, and Kenyon had engaged in various fraudulent activities, thereby exposing
14 themselves and Platinum to "potential criminal and civil liability," were nothing more
15 than an artifice to defraud Plaintiffs, which Gomez accomplished via his "good cop
16 bad cop" routine in concert with Trujillo;

17 h. *Eighth*, Gomez represented orally in meetings, and in writing in
18 the Shareholders Agreement, all in mid-July 2013, the Platinum Offering complied
19 with all applicable Federal and State securities laws. Gomez's representations in this
20 regard were categorically false because the Offering was not registered with the SEC
21 or California Department of Corporations, nor was the Offering exempt from
22 registration. Plaintiffs never would have proceeded with their investments in
23 Platinum had they known the Offering was unlawful and all investors purchasing
24 shares of Platinum therein were thereby entitled to rescission of their investments.

25 81. In or around September 2013, Plaintiffs discovered Trujillo was found
26 liable in a recent State Court action, entitled *Demler v. International Solar Group,*
27 *Inc.*, arising out of a similar business fraud and judgment was entered against Trujillo
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1 in the amount of approximately \$250,000.00. The amount of the judgment against
2 Trujillo, which formally was entered in January 2013, coincidentally was
3 approximately the exact same amount the Platinum Defendants ultimately extracted
4 from Plaintiffs in up-front cash. For this reason, Plaintiffs are informed and believed
5 Trujillo and Gomez conspired to extract cash from Plaintiffs sufficient to pay
6 Trujillo's judgment creditors in the *Demler* case.

7 82. Jan also learned from Trujillo himself, during a meeting at Gomez Law
8 Group's office in late July 2013, that Trujillo held his shares of Platinum in a trust
9 held in the name of his son, who shared his same name ("Trujillo Jr."). He admitted
10 that he transferred his shares to Trujillo Jr. for the sole and express purpose of
11 avoiding and evading his creditors, including judgment creditors such as the *Demler*
12 creditors and judgment creditors in another case Trujillo vaguely described to Jan.

13 83. In or around early September 2013, Gomez stated to Jan and Nicklas that
14 he intended to take out a line of credit to assist Platinum with purchasing products for
15 sale in connection with its Energetics distributorship. According to Gomez,
16 Platinum's funds were depleted and it was unable to fund any further travel by
17 Trujillo to Mexico to "close" the Pipeline Deals. Based on Gomez's
18 acknowledgement that Platinum now is taking on debt and has liabilities greater than
19 its assets, Plaintiffs are informed and believe Platinum is insolvent. For this reason
20 and all of the foregoing reasons, Plaintiffs are informed and believe and thereon
21 allege their investments in Platinum are now worthless.

22 84. By this Complaint, Plaintiffs formally tender all shares of Platinum stock
23 held in Plaintiffs' names on the books and records of the company back to Gomez,
24 Trujillo and Platinum in exchange for complete rescission of all of Plaintiffs'
25 investments in the Offering described herein. Plaintiffs will execute such further
26 documentation, if any, the Platinum Defendants deem necessary in furtherance of this
27 purpose. Plaintiffs otherwise take the position they effectively hereby have tendered
28

1 all shares of stock purchased in the Platinum Defendants unlawful offering of
2 Platinum securities to the original issuers, offerors and sellers of such stock, in
3 exchange for rescission of their investments, consistent with the Federal and State
4 statutory provisions cited herein.

5 CAUSES OF ACTION

6 FIRST CAUSE OF ACTION

7 Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
8 (VIOLATION OF THE SECURITIES AND EXCHANGE ACT OF 1933, 15 U.S.C.
9 § 77a, et seq., and REGULATION D, 17 C.F.R. § 230.500, et seq.)

10 85. As described above, Defendants offered and sold securities in interstate
11 commerce by utilizing the United States telephone systems, email, internet, related
12 interstate wire systems, to conduct an ongoing and continuous securities offering.

13 86. Defendants offering and sales of Platinum securities alleged herein
14 constituted a collective, aggregate offering, in excess of \$6 million, that was not
15 registered with the Securities Exchange Commission pursuant to the Securities and
16 Exchange Act of 1933, 15 U.S.C. § 77a, et seq., nor was the offering qualified for an
17 exemption from registration.

18 87. Plaintiffs, therefore, are entitled to rescission of any and all purchases of
19 Platinum securities in connection with the Offering, with interest thereon.

20 SECOND CAUSE OF ACTION

21 Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
22 (VIOLATIONS OF THE SECURITIES AND EXCHANGE ACT OF 1934, Rule
23 10(b) and S.E.C. Rule 10b-5; 15 U.S.C. § 78j(b), et seq., and 17 C.F.R. § 240.10b-5)

24 88. Plaintiffs incorporate each of the foregoing paragraphs in support of this
claim for relief.

25 89. Pursuant to Rule 10(b) of the Securities and Exchange Act, 15 U.S.C. §
26 78j(b), et seq., it is unlawful for any person, directly or indirectly, by the use of any
27 means or instrumentality of interstate commerce or of the mails, to use or employ, in
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1 connection with the purchase or sale of securities, any manipulative or deceptive
2 device, artifice to defraud, or contrivance in contravention of the rules and regulations
3 prescribed by the Securities and Exchange Commission (the “SEC”) for the
4 protection of investors.

5 90. The Platinum Defendants’ wrongful misconduct, as alleged above,
6 violated the foregoing sections of the Securities and Exchange Act of 1934. In
7 particular, the Platinum Defendants engaged in hard-sell tactics and intentionally and
8 willful implemented a “good cop, bad cop” artifice to defraud Plaintiffs, as described
9 above, and thereby defrauded Plaintiffs to their substantial damage in an amount to be
10 proven at trial. Moreover, Plaintiffs reasonably relied on all of the Platinum
11 Defendants’ misrepresentations and omissions of material facts, particularly alleged
12 above, which statements and omissions were made intentionally to defraud Plaintiffs,
13 and which statements and omissions proximately caused Plaintiffs’ investment losses.

14 91. More specifically, the financial losses suffered by Plaintiffs were
15 proximately caused by Defendants’ misrepresentations because not a single one of
16 the actual or prospective contracts identified in the Pipeline Term Sheet ever was
17 executed, performed, or resulted in any pecuniary gain for Platinum or the Plaintiffs.
18 As a result of the Defendants misrepresentations regarding the Pipeline deals,
19 Platinum now has expended every penny of Plaintiffs’ capital contributions to the
20 company. Moreover, the recent statements by Gomez that Platinum recently has
21 borrowed substantial sums of money to pay for unused inventory confirms Platinum
22 is now defunct and, as a result, Plaintiffs have lost their entire investment.

23 THIRD CAUSE OF ACTION

24 Against Defendants Alvin Gomez and Fernando Trujillo
25 (CONTROL PERSON LIABILITY UNDER SECURITIES AND EXCHANGE
26 ACT, SECTION 20(a), 15.U.S.C. §78t(a))

27 92. Plaintiffs incorporate each of the foregoing paragraphs in support of this
28 claim for relief.

1 93. Pursuant to the Control Person Liability Section 20(a) of the Securities
2 and Exchange Act of 1934:

3 “Every person who, directly or indirectly, controls any person
4 liable under any provision of this title or of any rule or
5 regulation thereunder shall also be liable jointly and severally
6 with and to the same extent as such controlled person to any
7 person to whom such controlled person is liable...unless the
8 controlling person acted in good faith and did not directly or
 indirectly induce the act or acts constituting the violation or
 cause of action.”

9 94. As alleged above, each of the Platinum Defendants directly and
10 indirectly controlled each of the other Platinum Defendants and therefore all Platinum
11 Defendants are jointly and severally liable for Plaintiffs’ damages alleged herein.

12 FOURTH CAUSE OF ACTION

13 Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
14 (RESCISSION; VIOLATION OF CAL. CORP. CODE § 25000, et seq.)

15 95. Plaintiffs incorporate each of the foregoing paragraphs in support of this
16 claim for relief.

17 96. The Offering constituted a collective, aggregate offering that was not
18 registered with the SEC pursuant to the Securities Act of 1933, 15 U.S.C. § 77a, et
19 seq., or qualified by the California Department of Corporations pursuant to the
20 California Corporate Securities Law, Cal. Corp. Code § 25000, et seq. Defendants’
21 collective offering was not otherwise exempt from registration with the SEC or from
22 qualification under Cal. Corp. Code § 25000, et seq.

23 97. As a direct and proximate result of Defendants’ actions, Plaintiffs are
24 entitled to rescission of their investments, with interest, pursuant to Cal. Corp. Code §
25 25501.
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1 FIFTH CAUSE OF ACTION
2 Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
3 (VIOLATIONS OF CAL. CORP. CODE § 25401 AND JOINT AND SEVERAL
4 LIABILITY FOR AIDING AND ABETTING PURSUANT TO § 25504.1)

5 98. Plaintiffs incorporate each of the foregoing paragraphs in support of this
6 claim for relief.

7 99. The Platinum Defendants, and each of them, violated California
8 Corporations Code § 25401 by offering to sell securities to Plaintiffs by means of
9 misrepresented material facts and omissions.

10 100. At the time these Defendants made these misrepresentations, they knew
11 or should have known in the exercise of reasonable care that the representations were
12 false, misleading, and material. These Defendants intended to defraud and deceive
13 Plaintiffs through their misrepresentations.

14 101. Plaintiffs justifiably relied on these Defendants' misrepresentations in
15 deciding to invest in Platinum.

16 102. Through their actions as alleged herein, each of these Defendants did
17 materially aid, abet and assist each other Platinum Defendant in violation of Cal.
18 Corp. Code § 25401, each with the intent to deceive and defraud Plaintiffs. Pursuant
19 to Cal. Corp. Code § 25504.1:

20 "Any person who materially assists in any violation of Section 25110,
21 25120, 25130, 25133, or 25401, or a condition of qualification under
22 Chapter 2 (commencing with Section 25110) of Part 2 of this division
23 imposed pursuant to Section 25141, or a condition of qualification
24 under Chapter 3 (commencing with Section 25120) of Part 2 of this
25 division imposed pursuant to Section 25141, or an order suspending
26 trading issued pursuant to Section 25219, with intent to deceive or
27 defraud, is jointly and severally liable with any other person liable
28 under this chapter for such violation."

103. As a direct and proximate result of the Platinum Defendants'
misrepresentations, Plaintiffs were harmed in an amount according to proof, to which

1 they are entitled pursuant to Cal. Corp. Code § 25500, et seq. The Platinum
2 Defendants are jointly and severally liable for the full amount of Plaintiffs' damages
3 pursuant to Cal. Corp. Code § 25504.1.

4 SIXTH CAUSE OF ACTION

5 Against Defendants Alvin Gomez, Fernando Trujillo
6 (CONTROL PERSON LIABILITY PURSUANT TO CAL. CORP. CODE § 25504)

7 104. Plaintiffs incorporate each of the foregoing paragraphs in support of this
8 claim for relief.

9 105. Pursuant to California Corporations Code § 25504:

10 "Every person who directly or indirectly controls a person liable under
11 Section 25501 or 25503, every partner in a firm so liable, every
12 principal executive officer or director of a corporation so liable, every
13 person occupying a similar status or performing similar functions,
14 every employee of a person so liable who materially aids in the act or
15 transaction constituting the violation, and every broker-dealer or agent
16 who materially aids in the act or transaction constituting the violation,
17 are also liable jointly and severally with and to the same extent as
such person, unless the other person who is so liable had no
knowledge of or reasonable grounds to believe in the existence of the
facts by reason of which the liability is alleged to exist."

18 106. As alleged above, each of the Platinum Defendants directly and
19 indirectly controlled each of the other Platinum Defendants and therefore all Platinum
20 Defendants are jointly and severally liable for Plaintiffs' damages alleged herein.

21 SEVENTH CAUSE OF ACTION

22 Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
23 (VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS
24 CODE § 17200, et seq., FOR UNLAWFUL, FRAUDULENT,
AND UNFAIR BUSINESS ACTS AND PRACTICES)

25 107. Plaintiffs incorporate each of the foregoing paragraphs in support of this
26 claim for relief.
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1 108. The Platinum Defendants' acts and practices as described herein
2 constitute unlawful, fraudulent, and unfair business acts and practices, in that (1) the
3 Platinum Defendants' practices, as described herein, violate each of the statutes set
4 herein; and/or (2) the justification for these Defendants' conduct is outweighed by the
5 gravity of the consequences to Plaintiffs and members of the public at large; and/or
6 (3) these Defendants' conduct is immoral, unethical, oppressive, unscrupulous, or
7 substantially injurious to Plaintiffs and members of the public at large; and/or (4)
8 these Defendants' conduct is fraudulent, untrue, and misleading and has a tendency to
9 deceive Plaintiffs and the public at large. Such conduct violates California Business
10 and Professions Code section 17200 et seq.

11 109. Plaintiffs alleges that, unless this Court enjoins Defendants from
12 engaging in the wrongful conduct alleged herein, the general public will be harmed
13 and deceived by Defendants' s fraudulent misconduct.

14 110. Plaintiffs have suffered injury in fact as a result of the unlawful, unfair,
15 and fraudulent business acts described herein. Pursuant to California Business and
16 Professions Code sections 17200 and 17203, Plaintiffs seek relief as prayed for
17 below.

18 EIGHTH CAUSE OF ACTION

19 Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
20 (VIOLATION OF CALIFORNIA PENAL CODE § 496(a))

21 111. Plaintiffs incorporate each of the foregoing paragraphs in support of this
22 claim for relief.

23 112. As alleged above, Defendants received Plaintiffs' property by false
24 pretenses in violation of Penal Code § 496(a). Plaintiffs suffered substantial
25 monetary damages as a result of Defendants' violation of Penal Code § 496(a).
26 Pursuant to the express provisions of Penal Code § 496(a), therefore, Plaintiffs are
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1 entitled to recover three times the amount of their actual damages, along with the
2 costs they have incurred in bringing this suit, including reasonable attorney's fees.

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NINTH CAUSE OF ACTION
Against Defendant Alvin Gomez
(BREACH OF FIDUCIARY DUTY)

113. Plaintiffs incorporate each of the foregoing paragraphs in support of this claim for relief.

114. Defendant Gomez owed Plaintiffs fiduciary obligations of the utmost loyalty and due care requiring Gomez to control and manage the Offering and Platinum's business practices in general in a fair and equitable manner, and to act in furtherance of the best interests of Plaintiffs and not in furtherance of his own personal benefits or interests at Plaintiffs' expense.

115. Defendant Gomez intentionally and recklessly breached his fiduciary duties as alleged herein, proximately causing Plaintiffs substantial monetary harm.

116. This Defendant's disregard for his fiduciary duties, as described herein, resulted in harm to Plaintiffs, in an amount according to proof at trial.

TENTH CAUSE OF ACTION
Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
(FRAUDULENT MISREPRESENTATION)

117. Plaintiffs incorporate each of the foregoing paragraphs in support of this claim for relief.

118. Defendants committed fraudulent misrepresentations as alleged with particularity above. At the time Defendants made these misrepresentations, they knew or should have known in the exercise of reasonable care that the representations were false, misleading, and material. Defendants intended to defraud and deceive Plaintiffs, and to induce them to invest in Platinum, and to enter into commission sales agreements with Platinum, through their misrepresentations.

1 119. Defendants' misrepresentations were in fact material to Plaintiffs'
2 decisions to invest in Platinum, and to enter into commission sales agreements with
3 Platinum, and Plaintiff actually and justifiably relied on the misrepresentations in
4 connection with these decisions.

5 120. Defendants are liable to Plaintiffs under this cause of action under the
6 principles of direct misrepresentation and fraud in the inducement. Plaintiffs may
7 therefore elect to rescind the various purported agreements between all parties or
8 enforce the agreements and sue for monetary damages. As a direct and proximate
9 result of Defendants' misrepresentations, Plaintiffs have been harmed in an amount
10 according to proof.

11 121. Defendants' actions were intentional, fraudulent, willful, wanton,
12 malicious, oppressive, and reckless, thus warranting punitive damages.

13 **ELEVENTH CAUSE OF ACTION**
14 **Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED**
15 **(CONVERSION, CIVIL CONSPIRACY AND AIDING AND**
16 **ABETTING TORTIOUS MISCONDUCT)**

17 122. Plaintiffs incorporate each of the foregoing paragraphs in support of this
18 claim for relief.

19 123. The conduct of the Platinum Defendants, as described herein, including
20 but not limited to conversion, and the fraud and breaches of duties alleged above, was
21 a result of conscious decisions to participate in the schemes as alleged above, for the
22 purpose of assisting, and which did assist substantially the furtherance of, the alleged
23 tortious misconduct, and the joint venture arrangement and conspiracy between and
24 among the Platinum Defendants.

25 124. By virtue of the foregoing, Plaintiffs have suffered substantial loss and
26 damage.
27
28

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1 125. The Platinum Defendants' actions were intentional, fraudulent, willful,
2 wanton, malicious, oppressive, reckless, and performed with an evil mind warranting
3 punitive damages.

4 TWELVTH CAUSE OF ACTION

5 Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
(BREACH OF CONTRACT)

6 126. Plaintiffs incorporate each of the foregoing paragraphs in support of this
7 claim for relief.

8 127. Defendants' actions as alleged herein constitute breaches of the written
9 and oral promises made by Defendants to Plaintiffs in connection with his
10 investments.

11 128. As a direct and proximate result of Defendants' breaches, Plaintiffs have
12 been harmed in an amount according to proof, including but not limited to actual
13 damages, general damages, interest, and other charges due under the terms of the
14 parties' agreements.

15 THIRTEENTH CAUSE OF ACTION

16 Against Defendants Alvin Gomez, Fernando Trujillo, and Platinum LED
17 (ACCOUNTING/FAILURE TO PAY DISTRIBUTIONS PURSUANT TO
CALIFORNIA CORPORATIONS CODE § 500, et seq.)

18 129. Plaintiffs incorporate each of the foregoing paragraphs in support of this
19 claim for relief.

20 130. Defendants failed to provide Plaintiffs access to correct, accurate, and
21 current versions of Platinum's books and records or the various agreements with
22 Plaintiffs.

23 131. Because Defendant has not disclosed the relevant information regarding
24 Platinum's assets, liabilities, expenses, and earnings, the monetary value of Plaintiffs'
25 investment interest cannot be ascertained and likely only can be ascertained by a full
26 and detailed accounting of Platinum.
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1 132. Plaintiffs demand and are entitled to an accounting of all assets,
2 liabilities, expenses, and earnings of Platinum, Gomez and Trujillo.

3 FOURTEENTH CAUSE OF ACTION
4 Against All Defendants
5 (PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF)

6 133. Plaintiffs incorporate each of the foregoing paragraphs in support of this
7 claim for relief.

8 134. Defendants and Plaintiffs have an actual and existing dispute regarding
9 the enforceability of the various contracts between and among them, including,
10 without limitation, the Shareholders Agreement and the commissions sales
11 agreements purportedly entered into by and between Plaintiffs and Platinum. The
12 agreements should be rescinded as a result of the Defendants' deliberately fraudulent
13 misconduct. These acts have caused and, unless restrained by this Court by a
14 preliminary injunction and permanent injunction, will continue to cause Plaintiffs to
15 suffer irreparable injury.

16 135. Plaintiffs have no adequate remedy at law. Damages at law are
17 inadequate. Plaintiffs therefore seek injunctive and/or other appropriate equitable
18 relief from this Court.

19 FIFTEENTH CAUSE OF ACTION
20 Against All Defendants
21 (UNJUST ENRICHMENT AND IMPOSITION OF CONSTRUCTIVE TRUST)

22 136. Plaintiffs incorporate each of the foregoing paragraphs in support of this
23 claim for relief.

24 137. Defendants conduct as alleged herein constitutes unjust enrichment
25 under the laws of the State of California.

26 138. As a direct and proximate result of Defendants' conduct, and the events
27 alleged herein, Plaintiffs have been harmed in an amount according to proof, and will
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1 suffer further, irreparable injury unless the requested relief is granted. Accordingly,
2 Plaintiffs demand that a constructive trust be imposed for Plaintiffs' benefit on all
3 investment proceeds or monies held and/or shown to have been transferred by and
4 between accounts controlled by Gomez and Trujillo for these Defendants' benefit,
5 and also upon any revenues derived from the business activities of the Platinum
6 Defendants.

7 139. Defendants conduct as alleged herein was intentional, willful, wanton,
8 malicious, oppressive, and reckless, thus warranting enhanced and punitive damages
9 and attorneys' fees.

10 SIXTEENTH CAUSE OF ACTION
11 Against All Defendants
12 (DECLARATORY RELIEF)

13 140. Plaintiffs incorporate each of the foregoing paragraphs in support of this
14 claim for relief.

15 141. A dispute has now arisen between the parties regarding the respective
16 rights of each of the parties. A judicial declaration is therefore required declaring
17 that: (1) Defendants have no right to enforce any obligations or duties purportedly
18 owed by Plaintiffs to any of the Defendants pursuant to any agreements entered into
19 by and between the parties; (2) Plaintiffs are entitled to rescind the Kenyon Note and
20 all monies loaned thereunder and transferred to the Platinum Defendants shall be
21 returned forthwith to Plaintiffs; and (3) Plaintiffs are entitled to be compensated by
22 Defendants for the wrongful distributions of the funds raised in the Offering.

23 JURY DEMAND

24 Plaintiffs demand a trial by jury on all issues so triable.

25 DEMAND/PRAAYER FOR RELIEF

26 For general damages, including statutory damages, in a sum in excess of the
27 jurisdictional minimum of this Court, according to proof;
28

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1 For compensatory damages in excess of the jurisdictional minimum of this
2 Court, according to proof;

3 For consequential damages in excess of the jurisdictional minimum of this
4 Court, according to proof;

5 For an accounting, as necessary;

6 For an order that Defendants, and their agents, employees, servants,
7 representatives, successors in interest, and all those in concert with Defendants, be
8 permanently enjoined from engaging in the conduct set forth herein: including
9 offering or selling Platinum securities, attempting to enforce any purported
10 agreements purportedly entered into by and between the parties; further engaging in
11 unfair competition against Plaintiffs; and assisting, aiding, or abetting any other
12 person or business entity in engaging in or performing any of the activities referred to
13 herein;

14 Plaintiffs be awarded three times the amount of their actual damages, along
15 with the costs they have incurred in bringing this suit, including reasonable attorney's
16 fees pursuant to Penal Code § 496(a);

17 Plaintiffs be awarded statutory remedies pursuant to Sections 17200, et seq.,
18 including restitution and injunctive relief;

19 Plaintiffs recover their reasonable attorneys' fees, costs, and expenses incurred
20 herein, as appropriate under the exceptional circumstances of this case;

21 Plaintiffs be awarded prejudgment and post-judgment interest at the legal rate;

22 Plaintiffs recover such other and further relief as this Court deems just and
23 proper.

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2 DATED: September 19, 2013

Submitted by,

3
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THOMAS C. FROST

5
6
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